

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	§	
	§	
TAXMASTERS, INC.	§	CASE NO. 12-32065-H2
	§	
Debtor	§	(Chapter 7)
	§	
	§	
TMIRS ENTERPRISES, LTD.	§	CASE NO. 12-32062-H2
	§	
Debtor	§	(Chapter 7)
	§	
	§	
	§	[JOINTLY ADMINISTERED WITH
	§	TAXMASTERS, INC., CASE NO.
	§	12-32065]

**SUCCESSOR TRUSTEE'S STATUS REPORT
AND BANKRUPTCY RULE 2012 ACCOUNTING**

Ronald J. Sommers, successor chapter 7 trustee (the "Trustee") files this Successor Trustee's Status Report and Bankruptcy Rule 2012 Accounting, and would respectfully show the Court as follows:

1. The case was filed on March 18, 2012.
2. W. Steve Smith ("Smith") was appointed as chapter 7 trustee on April 20, 2012.

On May 10, 2013, Smith was removed as trustee.

3. The Trustee was appointed on May 16, 2013. Smith has forwarded his files to the Trustee.
4. The Trustee reviewed all information provided by Smith, as well as the PACER docket for the case. The Trustee has reviewed the petition, schedules and statement of financial affairs and all other records required to be provided by a debtor pursuant to 11 U.S.C. §521.
5. The §341 meeting of creditors was held on December 17, 2012. The meeting was

concluded and noticed as an asset case. The audio transcript of the §341 meeting of creditors was provided by the Office of the United States Trustee and has been reviewed.

6. To date, the total receipts in this case are \$2,107,313.31 and total disbursements are \$1,193,776.87. During Smith's tenure, the Estate's total receipts were \$1,414,663.39 and compensable disbursements were \$1,019,532.67.

7. To date, the Trustee has received a total amount of \$692,649.92. The Trustee has made disbursements in the amount of \$174,244.20. The Trustee is currently holding \$913,536.44 in the trust account for this Estate.

8. To date, professional fees and expenses have been disbursed in the amount of \$920,189.26 as follows:

W. Steve Smith (former trustee fees)	\$ 37,685.19
McFall Breitbeil & Smith, P.C. (former trustee attorney fees)	\$189,232.50
McFall Breitbeil & Smith, P.C. (former trustee attorney expenses)	\$ 39,983.72
Walker & Patterson PC (special counsel fees)	\$442,727.89
Walker & Patterson PC (special counsel expenses)	\$ 24.00
The Kim Law Firm (trustee attorney fees)	\$ 32,120.00
The Kim Law Firm (trustee attorney expenses)	\$ 2,306.22
McCann E-Investigations	\$133,087.50
Center for Consumer Law (fees)	\$ 20,807.50
Center for Consumer Law (expenses)	\$ 272.24
e-Discovery Forensics, Inc.	\$ 21,942.50

9. The Trustee has filed twenty-one lawsuits that are currently pending. The majority of these lawsuits are newly filed and concern the avoidance of preferential and fraudulent transfers. These lawsuits will likely require at least a year to litigate—perhaps longer taking into consideration matters including potential appeals. Beyond matters related to the pending lawsuits, the Trustee must resolve issues involved in the process related to the filing, reviewing, and allowance and/or disposal of consumer claims (the majority of which have not yet been filed given the Trustee has not yet solicited their filing). In the near future, the Trustee

anticipates requesting authority from the Court to employ a claims administration company for the purpose of streamlining this process.

10. The Trustee cannot close this Estate until the on-going litigation matters have been resolved. The Trustee cannot currently estimate the amount of time that will be required for him to conclude the on-going litigation matters.

11. Pursuant to Bankruptcy Rule 2012(b)(2), the Trustee is to provide the U.S. Trustee with an accounting of the prior administration of the case. The Trustee submits that the information contained herein provides the accounting contemplated by Bankruptcy Rule 2012(b)(2).

Respectfully submitted,

By: /s/Ronald J. Sommers

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing has been served on the U.S. Trustee's Office via electronic transmission (ECF) on the 25th day of March, 2014.

/s/ Ronald J. Sommers

Ronald J. Sommers